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In Attendance - Friday, March 26, 1976

Secretary of State Kissinger - Chairman

D	Mr. Ingersoll
P	Mr. Sisco
E	Mr. Robinson
T	Mr. Maw
M	Mr. Eagleburger
AF	Mr. Mulcahy (Acting)
ARA	Mr. Rogers
EA	Mr. Habib
EUR	Mr. Armitage
NEA	Mr. Atherton
INR	Mr. Saunders
S/P	Mr. Lord
EB	Mr. Katz (Acting)
S/PRS	Mr. Funseth
PM	Mr. Vest
IO	Mr. Lewis
H	Ambassador McCloskey
L	Mr. Leigh
S/S	Mr. Springsteen
S	Mr. Barbian

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P R O C E E D I N G S

(The Secretary's Staff Meeting was convened at 8:12 a.m., Secretary of State Kissinger presiding as Chairman.)

MR. INGERSOLL: Good morning, Henry.

(Discussion off the record.)

MR. INGERSOLL: The boycott could have serious implications. We'll have a paper to you on that, and we can't find out anything about it --

SECRETARY KISSINGER: What is this? The Justice Department --

MR. INGERSOLL: Yes.

SECRETARY KISSINGER: I am investigating the big oil companies for their conduct during the boycott -- the one time they behaved in a patriotic fashion.

MR. INGERSOLL: Well, ^{it} may not be limited in that period, but it starts there.

SECRETARY KISSINGER: One time they kept everybody going by putting oil into one big pool, and that's anti-trust.

MR. LEIGH: Well, they won't tell us very much about it, Mr. Secretary. That's why we need your help on it before the grand jury is convened. Now, this

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is not just a civil investigation. Once that's done, we wouldn't be able to say anything.

MR. INGERSOLL: That's why we think we have to move on it, and they say it's very confidential. They just told us about it. They won't tell us anything about the details -- if that's "consultation" (laughter).

I will have it to you today.

One other point I'd like to make is this may be my last Staff Meeting, Henry, and I'll be thinking of all of you on the slopes of Aspen maybe next week. (Laughter.)

MR. MAW: The slippery slope.

MR. INGERSOLL: Yes.

SECRETARY KISSINGER: Bob, we're going to have a cocktail party for you, where, I suppose, most of these people are going to be; but I need not tell you how much you will be missed.

MR. INGERSOLL: Thank you. I'll miss all of you.

SECRETARY KISSINGER: I want to tell you that with dignity and calm you performed this job -- and even diplomats will not say this of me when I leave. Keep your laughing within limits. (Laughter.)

MR. EAGLEBURGER: He's not a diplomat (pointing

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to Mr. Leigh).

MR. SISCO: I haven't anything.

MR. ROBINSON: I just came back from New York, where I gave a speech before the Foreign Policy Association. I want to report that they announced your forthcoming speech before that group on the Law of the Sea and everyone became very excited. Two women fainted in the front row (laughter), and it was very shattering. My inferiority complex was with me just before I was to speak. But I just want you to know that they're very excited about your coming up.

SECRETARY KISSINGER: Why only two? (Laughter.)

MR. INGERSOLL: That's all there were. (Laughter.)

MR. ROBINSON: They're very pleased, and I just wanted to tell you how excited they were about your forthcoming speech.

SECRETARY KISSINGER: Are we getting a draft? If that boy drafts as well as he talks, it's going to be the greatest speech since the Gettysburg Address.

MR. EAGLEBURGER: It will be longer. (Laughter.)

SECRETARY KISSINGER: We can put in some of the details, depending on the discussions with Treasury, but I had the sense yesterday that we were going to get

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most of our proposals.

MR. LORD: I think we can get certainly enough with that speech.

SECRETARY KISSINGER: O.K.

MR. MULCAHY: Now, this day, the suspense of the talks in Lusaka that we attached quite a bit of importance to, broke up without a statement.

SECRETARY KISSINGER: The talks where?

MR. MULCAHY: This was the Four Power talks-- Presidents Machel, Khama, Nyerere and Kaunda meeting in Lusaka on where they could go from here with the Rhodesian situation. They had both Rhodesian nationalist factions there and Nkomo apparently, according to the press. No reconciliation took place between Nkomo and Nyerere, which was one of the purposes of the thing.

Also, it broke up without any sort of communique, which is not a good sign, and --

SECRETARY KISSINGER: Why?

MR. MULCAHY: Well --

SECRETARY KISSINGER: It means --

MR. MULCAHY: Well, it means that Nkomo and Kaunda, who are generally reliable as far as the

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battering line and further negotiations are concerned, would persuade the others that they --

SECRETARY KISSINGER: But it also means that the radicals didn't persuade them that there shouldn't be further negotiations.

MR. MULCAHY: Yes, that's right. If you're an optimist, you take that view.

SECRETARY KISSINGER: If you're a realist -- I mean, what else can it mean? It means they could agree neither on one formal line or on the other.

MR. MULCAHY: Yes, sir.

SECRETARY KISSINGER: But what's more likely to happen?

MR. MULCAHY: Well, I think if --

SECRETARY KISSINGER: Where is the Assistant Secretary, incidentally?

MR. MULCAHY: He's on his way back from Paris. He went to the reinforced NAC in Brussels, and he'll be back this afternoon.

SECRETARY KISSINGER: Go ahead.

MR. MULCAHY: But what probably will happen is that this now will increase the pressure on Smith that --

SECRETARY KISSINGER: Only in your mind. Since

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he broke off the talks, why should it increase the pressure on him?

MR. MULCAHY: Well, because they all now agree that the guerrilla warfare will continue and be stepped up.

SECRETARY KISSINGER: I thought they all said that already.

MR. MULCAHY: They have, but there's been relatively little of it. But I think now with the rainy season we'll see a great deal of infiltration across the border.

One of the proposals under consideration was to put a railway system through Botswana to South Africa. The principal rail line will also cause UN sanctions. It's a knotty problem because the rail line is the property of the Rhodesian Government. We think that this was one of the issues under consideration.

SECRETARY KISSINGER: Can I get a paper by the middle of next week of how we're going to get from here to there --I mean what AF visualizes is going to happen now and what we can do now, other than hand-wringing?

MR. MULCAHY: Yes, sir.

SECRETARY KISSINGER: And exactly what steps

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should be taken -- hopefully, that are within the realm of realism -- by Wednesday?

MR. MULCAHY: Yes, sir.

SECRETARY KISSINGER: Phil?

We've opened a new chapter of diplomacy, as far as I can see. We now have, on the front page of the Post, a note we haven't even sent yet.

MR. HABIB: That story was basically two days old. It came --

SECRETARY KISSINGER: Has that note been sent?

MR. HABIB: Yesterday.

SECRETARY KISSINGER: I thought I told you, Larry, that I disapproved it.

MR. HABIB: It went to you. It went out last night, I was told. I got a phone call at 5:30-6:00 o'clock telling me it's gone, because I've got the comeback copy this morning.

SECRETARY KISSINGER: Well, at 5:30-6:00 I sure as hell wasn't approving anything.

MR. HABIB: We did it in accordance with your changes.

MR. BARBIAN: That's right. Two cables.

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MR. HABIB: One didn't go.

SECRETARY KISSINGER: There may have been two cables, but I didn't see them. May I see them now?

(Mr. Barbian hands Secretary a document to peruse.)

MR. HABIB: The last paragraph.

SECRETARY KISSINGER: O.K.

Go ahead.

MR. HABIB: The other thing is that you have approval of the first stage of the Thai withdrawal actions.

SECRETARY KISSINGER: Yes, but I want to have a significant cut also in the military advisers.

MR. HABIB: Yes. The ceiling is 270. We're down around 200 now. We're supposed to go below that before the end of the --

SECRETARY KISSINGER: I want the Thais to see a withdrawal. The Thais don't know what our ceiling is. Therefore, if we just keep it --

MR. HABIB: No. They set the ceiling. The ceiling of 270 is a ceiling which --

SECRETARY KISSINGER: Have we pulled out 70

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or have we simply not replaced 70?

MR. HABIB: Well, the 70 are not there.

SECRETARY KISSINGER: They have never been there?

MR. HABIB: No. They have been temporarily withdrawn, and there was some thought of pulling it down lower.

SECRETARY KISSINGER: I would like the Thais to see that, after their decision, there is some reduction in the part they want us to have stay --

MR. HABIB: I understand.

SECRETARY KISSINGER: -- and we can keep the ceiling and put in more people later on if they ask for it.

MR. HABIB: Well, what we want to do is keep the ceiling so that later on, if we need to, it would be intelligence people, not MAG people, and vary it with the MAG.

SECRETARY KISSINGER: That's fine.

MR. HABIB: That's what we had in mind.

Also, we have to now take very tough decisions on such things as pulling out the ammunition we have stored in place. That's going to really show the Thais what this is costing because we've got about 60 million

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dollars worth of ammunition -- which, under present law, we cannot leave there. And we can either sell it to them or take it out. They're not going to buy it; they're going to want us to leave it there and give it to them -- which would not be possible. That's going to hurt.

So there's going to be a series of actions which I hope, very frankly, I'd rather not take on some of them until the election is out of the way -- until the election is out of the way -- which is eight more days, nine more days. If we get the election out of the way we may have a new government; we may not have a new government. We'll see what happens, so we'll try to keep you informed.

SECRETARY KISSINGER: I forgot. Is the Vice President stopping there or not?

MR. HABIB: No, sir -- because of the election.

The other thing is that the Koreans have now indicted 18 people, from the last official statement, and they've indicted them under a less severe act than they might have put them under.

Now, whether that's the kind of reaction taken in response to the kind of protest, I don't know.

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At the same time, they've re-indicted a rather well-known international official, who, under a law, would permit them to sentence him to death. This is a guy who's already sentenced to life imprisonment under a previous commitment.

SECRETARY KISSINGER: Where is he? Is he in prison?

MR. HABIB: He's in prison under a life sentence, and they've just re-indicted him under another law which permits them to sentence him to death.

SECRETARY KISSINGER: They don't take any chances, do they? (Laughter.)

MR. HABIB: They don't take any chances. The guy is very sick, besides. He won't make it for very long. (Laughter.) But the rumble is up on the Hill. They tell me they have actually written letters themselves. They have written letters to Parker to see what he can do about the situation.

I have to appear before the Humphrey Subcommittee on Korea at 4:00, and I'm sure they're going to give me a very bad time. But I think we can hold to the position.

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MR. MAW: I got a pretty bad time on it before the House International Relations Committee on Monday, and you're going to get it today.

SECRETARY KISSINGER: I'm glad you let them schedule me so nicely before these Committees. (Laughter.)
Go ahead.

MR. ARMITAGE: Art Hartman had to go to the doctor this morning. He'll be here the middle of the morning, Mr. Secretary.

We've got a couple of helpful developments on protection of ^{Embassy(?)} [Soviet] personnel in Moscow. There was a bomb threat yesterday. Part of the Embassy was evacuated, but no bomb was found.

SECRETARY KISSINGER: But that was already in the papers yesterday, or was that another one?

MR. ARMITAGE: No. That was the same.

SECRETARY KISSINGER: There are no statements to be made on the Soviet Union that I do not personally clear. We cannot harass the Soviets every single bloody day with some other tough talk out of this building, and we mishandled the three Missions business. There's no need for us to shoot at them the day it happened. We could have said yesterday "We are studying it" -- that

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we are asking for a full report.

MR. FUNSETH: That guidance that I used in going out to Moscow is press guidance two days before.

SECRETARY KISSINGER: I didn't approve it either. That's how the other disaster happened.

That went out as press guidance immediately.

MR. ARMITAGE: We now have one in New York, Mr. Secretary. The New York Police Department dismantled the bomb stored out of Amtorg yesterday, thereby --

SECRETARY KISSINGER: Are we going to protest to the Soviets and say they did it?

MR. ARMITAGE: No, sir. The search had been made earlier after the telephone warning found nothing.

SECRETARY KISSINGER: The press guidance to Moscow must be cleared now here. There's not to be another one that I don't see.

MR. FUNSETH: All right, sir.

MR. ARMITAGE: The bomb was actually found by Soviet personnel, disarmed by the police. And it's just possible that if the police would have been a little more vigilant they could have been caught by this time, because they didn't leave anybody around after the search.

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We tried to cast around to try to find out what else we can do to counter the situation up in New York, and we can possibly explore the possibility of sending somebody from my own Security Office to the Mission simply to follow through on the cases there.

SECRETARY KISSINGER: Well, it's an intolerable situation, and we are much more to blame than the Soviets.

MR. LEWIS: There's another even more disturbing -- or as disturbing -- issue yesterday. The JDL called a press conference last night and read from what was alleged to be a letter from another Jewish organization to the assembled correspondents and FBI agents who were there in numbers, first taking credit for the pipe bomb -- which didn't go off -- and, second, threatening to kidnap the child of a Soviet diplomat in New York, unless the Soviets released this 10-year-old girl.

SECRETARY KISSINGER: Since we are so ready with protesting, can we make a strong statement condemning all these actions?--

MR. FUNSETH: Yes, sir.

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SECRETARY KISSINGER: -- and calling on the New York Police and others to assist?

MR. SISCO: I'll see what we can do with that.

MR. INGERSOLL: I called the Mayor, and the Mayor said the Commissioner was going to call me back. They were going to get some Federal indictments. I don't think they have done anything yet, have they?

MR. ARMITAGE: No shooting into the Riverdale and the bomb around Aeroflot. But they say they haven't been able to turn up any leads yet.

MR. INGERSOLL: But some of these harassments that take place -- the New York Police arrest them and let them go.

MR. LEAWITZ: For example, on carrying signs, they insist they have no legal right to arrest people for carrying nasty signs. And the FBI claims it's doing everything it can, and we've been at them at high levels. But this kidnapping is really scary. They really have a capacity for doing it.

MR. ARMITAGE: We've gotten all our advisers and we haven't been able to find anything.

SECRETARY KISSINGER: You can't prosecute somebody

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who publicly says somebody else is going to kidnap somebody?

MR. ARMITAGE: Apparently not -- if they attribute it to somebody else and they make a statement that makes it clear they will do it. They usually couch it in that way.

SECRETARY KISSINGER: And giving publicity to such a threat does not --

MR. LEIGH: I doubt that that could possibly be considered part of the conspiracy -- to kidnap, or a threat to kidnap.

SECRETARY KISSINGER: Well, the Soviets are bound to do something, and it's just indecent of us to wax so indignant when they for weeks have been harassed in the most unforgivable way and then for us to be so self-righteously indignant yesterday. That's really distressing.

On this issue they're right. There's a limit to the domestic politics we can play. You know damn well that our people in Moscow -- that's one thing they don't do: harass them gratuitously. But what are we going to do? Can we make a statement today condemning these?

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MR. FUNSETH: Yes, sir.

MR. EAGLEBURGER: I better see if we can get some more people back. We've had 80 SY agents. We just haven't got any more -- that's the real problem.

SECRETARY KISSINGER: Are any of them near the Missions?

MR. EAGLEBURGER: Yes. We've had them near the Soviets.

SECRETARY KISSINGER: Well, could somebody give the Soviets a summary -- or has somebody done that -- of what we're doing for them?

MR. ARMITAGE: Oh, yes, sir -- yes, sir -- repeatedly. And we've also issued very strong deploring statements before when these things have happened in New York.

MR. FUNSETH: Our guidance said that yesterday.

SECRETARY KISSINGER: I do not want Bureaus to run their own anti-detente campaign and everyone trying to prove how tough they are. And one day we're going to have a major crisis and everyone will run for the fox-holes.

MR. LEWIS: There were some demonstrations by the JDL against Ambassador Malik when he was in the

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hospital. The police, fortunately, provided very good protection and there was no serious difficulty or incidents. And apparently Malik was pretty well satisfied -- at least, on that occasion -- with the kind of response he got.

SECRETARY KISSINGER: O.K. Are you finished?

(Addresses Mr. Armitage.)

MR. ARMITAGE: Yes, sir.

SECRETARY KISSINGER: Bill?

MR. ROGERS: The chief negotiator in Panama has resigned. It looks as though for personal reasons he's going to be succeeded, in all probability, by Guerra, who's a former Foreign Minister.

SECRETARY KISSINGER: I don't think ~~Tacca~~ ^{TACK} is such a great loss, is he?

MR. ROGERS: No, sir. It wouldn't seem that way -- even in Panama.

In Argentina, although the junta has had some pretty good success, we're trying to make whatever estimates we can about what's going to happen. We've asked both the Mission and Washington to do their own visualizations -- to compare them. But I think the preliminary estimate has got to be that it's going to go

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downhill. This junta is testing the basic proposition that Argentina is not governable, so they're going to succeed where everybody else has failed. I think that's a distinctly odds-on choice.

I think we're going to look for a considerable effort to involve the United States -- particularly in the financial field. I think we're going to see a good deal --

SECRETARY KISSINGER: Yes, but that's in our interest.

MR. ROGERS: If there's a chance of it succeeding and if they're not asking us to put too much up on the table. What we're going to try to do, when and if they come up with such a plan, is what we were prepared to do about six months ago. We had worked out as intermediaries a sensible program for international assistance, using the private banks and monetary institutions.

Whether we can pull that off again, I don't know; but I think we're going to hear from them very early on in terms of financial programs.

I think also we've got to expect a fair amount of repression, probably a good deal of blood, in Argentina

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before too long. I think they're going to have to come down very hard not only on the terrorists but on the dissidents of trade unions and their parties.

SECRETARY KISSINGER: But --

MR. ROGERS: The point I'm making is that although they have good press today, the basic line of all the interference was they had to do it because she couldn't run the country. So I think the point is that we ought not at this moment to rush out and embrace this new regime -- that three-six months later will be considerably less popular with the press.

SECRETARY KISSINGER: But we shouldn't do the opposite either.

MR. ROGERS: Oh, no; obviously not.

MR. McCLOSKEY: What do we say about recognition?

MR. ROGERS: Well, we're going to recognize this morning a formal note in response to their request for recognition -- as have virtually all the other countries of Latin America. But beyond that, Hill will keep his mouth shut.

SECRETARY KISSINGER: Yes, but what does that mean concretely? Whatever chance they have, they will need

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a little encouragement from us.

What is he telling them?

MR. ROGERS: What? Oh, nothing. He has not been talking with them yet. He has not been invited to talk with them. He's ready to go in and talk with them when and if they request a meeting. But the Generals who are now presently occupying the Ministerial posts are there very temporarily -- probably for the week -- until the junta can make its final decisions as to whom they're going to appoint. They will make decisions on who they will appoint within a week.

We think we know who's the Foreign Minister -- which is the key appointment.

SECRETARY KISSINGER: Who?

MR. ROGERS: Probably a fellow named ^{VAMEK} ~~Litella~~, who we have worked with in the past. And if he is appointed, then I think we're in a position to work with him.

SECRETARY KISSINGER: But can I see some instructions on what you're going to tell Hill if somebody should come in --

MR. ROGERS: Yes.

SECRETARY KISSINGER: -- because I do want to encourage them. I don't want to give the sense that

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they're harassed by the United States.

MR. ROGERS: No. What I was basically concerned about in the first instance was the public posture.

SECRETARY KISSINGER: I agree with that.

MR. LEWIS: There are going to be informal consultations this afternoon at the Security Council about this Angolan debate, which has been appearing on the horizon for the past two weeks. There will be lay representatives in New York. Most of the Africans don't want to have the debate, but there's still some pressure to have it by members of the Council. There could conceivably be an informal debate after the discussion this afternoon.

The Chinese want to have a debate; the Russians obviously don't. Most of the Africans don't; some so. So it's a mixed bag.

Do you, Mr. Secretary, want us to express any preference, in the informal consultations, as to whether a debate would be useful or not?

SECRETARY KISSINGER: I don't see anything we can gain by a debate.

MR. LEWIS: The South African troops are to

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be out by tomorrow. That is now publicly known everywhere. If a debate takes place, it will focus on the South African presence in Namibia rather than Angola. On the other hand, the Cubans are the only foreign troops now in Angola, so the Chinese are going to hit the Russians very hard in the debate next week, and we can also do the same; so there are some arguments either way.

SECRETARY KISSINGER: Well, I would generally think we're better off with no debate. We've made our point on Angola several times.

MR. LEWIS: Yes, sir.

SECRETARY KISSINGER: But I wouldn't spill blood over it. If there is, we should hit foreign intervention in Angola and ask for the withdrawal of Cuban troops.

MR. LEWIS: All right.

That's all.

SECRETARY KISSINGER: Hal?

MR. SAUNDERS: Since Lebanon was mentioned, I want to mention another issue on which you may be approached in the next few weeks from the academic community, and this is the Russian Research Center at

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Harvard.

As you know, they've been coming on increasingly difficult times financially to the point where Harvard looks like it's meeting about one-fifth of its planned budget next year.

SECRETARY KISSINGER: Are they financed mostly by the Government?

MR. SAUNDERS: They were to receive Defense money. When that receded, as you remember, last year, we put some project money in rather than program-type money. And the approach that will be made to us this year is for the State Department to seek from Congress the authority to provide basic grant money to perhaps as many as 30 of these centers around the country -- some of which are in danger of closing their doors.

SECRETARY KISSINGER: And how much would we need? It's a lot of money.

MR. SAUNDERS: Four and a half million dollars?

SECRETARY KISSINGER: Million?

MR. SAUNDERS: Million, yes -- of course.

SECRETARY KISSINGER: For 30 institutions.

MR. SAUNDERS: You would figure, just hypothetically, to two hundred thousand -- that would be maximum. Nobody

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has costed this out yet, and I'm giving you an outside figure. It could be less.

SECRETARY KISSINGER: But what do they do with \$200,000?

MR. SAUNDERS: At the Harvard Center the budget is \$150,000 for next year, so we're really talking per center about relatively small amounts of money. They have a research contract with the center for sixty thousand this year.

SECRETARY KISSINGER: Studying what?

MR. SAUNDERS: Dynamics of Soviet --

SECRETARY KISSINGER: And who's doing it? I'm not sure. It's not many governments who finance studies that demonstrate their incompetence. (Laughter.)

What do you think you're going to get out of a Harvard study on the Soviet Union?

MR. SAUNDERS: It needs some more basic dynamics of decision-making processes.

SECRETARY KISSINGER: In the Soviet Union?

MR. SAUNDERS: Right.

SECRETARY KISSINGER: On this one I'm basically sympathetic, though I have no illusions about what's going

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to come out of it.

MR. SAUNDERS: No. I think we're all in the same boat. The question is really whether the Government should support this kind of institution in the country. And there are two ways of going about it -- one, the National Defense Communications Act, where HEW concentrates mainly on broad citizen education and tends not to concentrate on the specialized centers. And the alternative would be for the Department to concentrated on the specialized centers.

We'll send you a memo on this outlining the pros and cons.

There are a lot of other people to be worked into the process, but we've heard that some people are going to approach you in some way or another -- or Larry.

SECRETARY KISSINGER: They have to be desperate.
(Laughter.)

MR. EAGLEBURGER: We'll never get it from Congress. I hope you understand that.

MR. SAUNDERS: Well, I suppose that's true, but

--

SECRETARY KISSINGER: Why won't we get it? Is that under Hays too?

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MR. EAGLEBURGER: Yes. Hays would be all right, but I think Slack would be very opposed.

MR. SAUNDERS: The position we're in now, as you recall -- we concentrated in four main areas of research, after an approach to you about a year and a half ago, as I understand it. And we're now funding research projects partly for the sake of the research but partly for the sake of the institutional support involved.

SECRETARY KISSINGER: I hope you realize that Joe (referring to Mr. Sisco) needs a slug of this money.

MR. SISCO: Well, I realize it. (Laughter.)

MR. HABIB: You can start an institute, Joe, right away. (Laughter.)

MR. SAUNDERS: It's just something that has to be explored within the Government. A decision has to be made one way or another.

I just wanted to bring this forward to you; I just wanted you to be alerted.

SECRETARY KISSINGER: O.K.

Roy?

MR. ATHERTON: Well, I guess the best thing to

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be said about Lebanon is it's highly diffused. (Laughter.)

SECRETARY KISSINGER: That's the advantage of having a professional organization studying this. (Laughter.) Cut through the fog to reality.

MR. ATHERTON: Well, the military situation, as far as we can tell this morning -- there hasn't been any significant move on the ground, but there has been heavy shelling and casualties are high.

On the political side, several things: First of all, possibly the most significant development -- ~~JIM BLOK~~ ^{JIM BLATT} has told us he's going to Damascus tomorrow and has indicated he's prepared to talk about a constitutional transition, providing it happens quickly. On the other hand, Franjiyah has announced that he will never ever resign until expiration of his term.

SECRETARY KISSINGER: Which is when?

MR. ATHERTON: September.

The Syrian formula is that it has an amendment in the constitution which would provide for -- make it possible for the President to resign six months before the termination of his term and then agree on a successor -- and then he would resign all within a very brief period

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of time.

What he's saying publicly makes it look as though he has backed away from this idea.

The Christians are obviously feeling more desperate. We've had approaches now from them. ^{CHAMOUN} ~~Shamun~~ has asked for U. S. clarification, suggesting possibly going to the Security Council.

Charles Malik has approached us, although I largely discount his importance or effectiveness now in the situation.

The Syrians --

SECRETARY KISSINGER: ^{CHAMOUN} ~~Shamun~~ is right wing though, isn't he?

MR. ATHERTON: Sorry?

SECRETARY KISSINGER: ^{CHAMOUN} ~~Shamun~~ is right wing?

MR. SISCO: Former.

MR. ATHERTON: Former.

SECRETARY KISSINGER: I know.

MR. ATHERTON: The Syrians: The signals are somewhat mixed. In Lebanon itself, the Syrian army officers who have been part of the mediating team returned to Damascus. And there's some indication that some of the Syrian-controlled PLA and Cyprians are disengaging ^{SAIQA(?)}

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from the sort of peacekeeping mission that they've had.

On the other hand, they do seem to be continuing on the diplomatic track, calling people from Damascus.

Khaddam, who got your message --

SECRETARY KISSINGER: I understand.

MR. ATHERTON: -- has indicated there's no pressing detail. You'll see the report from the Saudis. The Saudis responded promptly to your message that you sent them.

SECRETARY KISSINGER: I haven't seen it, but I will before the end of the day.

All right -- let's discuss that in a separate meeting--

MR. ATHERTON: All right..

SECRETARY KISSINGER: -- when I can assemble all the things.

MR. ATHERTON: Well, I think that's sort of a status report on the things.

Could I say one more thing on the C-130s --

SECRETARY KISSINGER: Yes.

MR. ATHERTON: -- because it may come up --

SECRETARY KISSINGER: Have I heard from the Egyptians on that?

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MR. ATHERTON: No--

MR. SISCO: No.

MR. ATHERTON: -- but there's a lot in the press today that will lead to questioning when you appear before the Humphrey Subcommittee.

The thrust of the press stories is that we are leaning towards selling the civilian version of the C-130, and this is a confusion.

The problem is this: Defense would like very much to sell the export model which comes off of the production line, under which the first would be available in December. I think what position we have to take is that we ought to keep open the option and that we've not made a decision until we can discuss with the Egyptians what they want.

SECRETARY KISSINGER: We have promised to the Egyptians the Air Force model.

MR. ATHERTON: Yes.

SECRETARY KISSINGER: Now, there is no other option to be discussed. There will be no other option to be discussed, Roy.

MR. ATHERTON: No -- we've been making that

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point with Defense that we cannot foreclose what we have already promised the Egyptians.

SECRETARY KISSINGER: They cannot foreclose it. They have no other choice.

MR. ATHERTON: We have tried very hard to make --

MR. HABIB: There is a technical thing. What's the model letter -- A, B, C, D, F? Do you know what model? There are some problems.

SECRETARY KISSINGER: There were specific promises made. I do not accept the proposition that we settle national policy by negotiation among Assistant Secretaries. The President made a promise to Sadat -- which will be kept -- unless the Congress stops it. There is no possibility of delivering it in December when we promised to deliver it in April.

MR. ATHERTON: This is what we expect. We have been telling Defense so that they would not go public -- which they wanted to do, saying that it was going to be the export model.

MR. SISCO: That killed it. Why don't I give Clements a call and say precisely --

SECRETARY KISSINGER: And tell him what Schlesinger

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agreed with the President.

MR. SISCO: Yes. I'll call Clements, Roy, because these damn fools wanted us to come out publicly on the other -- which meant that we would deliver it in December -- which I knew was contrary to the promise that had already been made. So we killed it.

SECRETARY KISSINGER: But why doesn't one get Scowcroft involved in this -- or me -- who know the facts?

MR. ATHERTON: Well, we killed it yesterday.

SECRETARY KISSINGER: Yes, except they'll start leaking it now.

MR. SISCO: They've written the press story already.

MR. ATHERTON: It could lead to questions.

MR. FUNSETH: They already leaked it to the press this morning.

MR. SISCO: I know.

SECRETARY KISSINGER: Go ahead. Jules?

MR. KATZ: The Second Session of the ~~CIAC~~ ^{CIEC} Commission ends today. Also, there's a copper consultation in Geneva that's been going all week, and that ends today as well.

On the ~~CIAC~~ ^{CIEC} Commission, after a slow start they've

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had some very good discussions this week in detail.

SECRETARY KISSINGER: On what subjects?

MR. KATZ: Well, in the energy area they've been talking about the effects of oil prices, for example -- the macro-economic effects of oil prices. The producers have raised questions about how to protect the value of their earnings, but these discussions are characterized by a minimum of rhetoric. And contrary to the first session, there's full participation by all of the members of the Commission. All of the LDCs are now making interventions.

Similarly, in the Raw Materials Commission, after a very slow start and they're not being quite sure how to proceed, they've gotten into detailed questions now.

Where this all leads to is not clear. I think it's useful, in an educational sense, that people are not making speeches; they're talking about the real analytical issues that are involved.

If you go into the next meeting with UNCTAD, then of course I think it becomes all highly political.

Similarly, in the copper discussions, this is the first consumer/producer meeting we've had on the

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The report we have is that they have really been quite serious. We have said, "Let's start discussing the problem before we talk about measures," and they've accepted that.

The only problem on the copper talks has been the UNCTAD Secretariat -- which will be getting worse in '77. We said, "We don't need the facts; we know what the facts are."

SECRETARY KISSINGER: Who runs the UNCTAD Secretariat?

MR. KATZ: A man by the name of ~~Correa~~ ^{CORREA}; and I think he's been doing some consultations around the world on the future of UNCTAD; and he's recognized this problem -- that the Secretariat and the professional staff see themselves as an LDC Secretariat, and they're not objective in any sense of the term.

I think this is one of the real institutional problems with UNCTAD. Some people will have to be --

MR. LEWIS: One of the things that ~~Korea~~ ^{CORREA} has proposed -- that may very well happen -- is that they're going to set up their own Secretariat separately. And in UNCTAD he wants to be a more balanced negotiator in Secretariat form.

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MR. LEWIS: That may happen.

SECRETARY KISSINGER: What?

MR. MAW: We will have two '77 Secretariats.

MR. KATZ: Well, I don't think so. I think that might be a good point -- I don't know. The question is: Who will pay for that? The UN Secretariat has to pay for that '77?

Mr. Secretary, the other point: I think that you know that the President's speech to the textile industry today probably will have the reference --

SECRETARY KISSINGER: I was told it would be taken out.

MR. LORD: It's a memo to the President saying you oppose any reference to it, but Baker and Morton and Dent are more for a compromise language.

SECRETARY KISSINGER: There is no compromise language possible. Once the President mentions the PRC -- not matter how softly -- he's got himself a major problem.

MR. LORD: I couldn't agree more. I think you better call the President.

SECRETARY KISSINGER: Well, I called Scowcroft

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and he told me it would be taken out.

MR. LORD: The other positions are also on the table.

MR. HABIB: This is as of yesterday evening -- they were still having it in.

MR. KATZ: Well, as of about a quarter to seven last night, I was told that it went in to the President with the statement that Morton and Dent and Baker wanted it in and you were opposed. And I assume Scowcroft was opposed.

SECRETARY KISSINGER: Who's Baker? What's his standing in there?

MR. KATZ: No. 2 in Commerce.

MR. HABIB: No matter how they adjust the wording, it's still the tack.

MR. LORD: And, as I understand, the only country ^{mentioned in} (mentioning) the speech --

MR. KATZ: It's the only country where there is a problem.

MR. LORD: Yes, but you can talk in general terms about the problem.

SECRETARY KISSINGER: You cannot mention the PRC

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without having a major crisis with the PRC. And it will not be done without an absolute uproar out of this building, and nobody is going to cooperate with that sort of approach.

MR. HABIB: I think Morton is going to take the call from you.

SECRETARY KISSINGER: Has he been inviting it?

MR. HABIB: Yes.

SECRETARY KISSINGER: I'll put in a call right now. Infact, I have to call the President.

Larry, can I see you for a minute?

MR. EAGLEBURGER: Yes, sir.

(Whereupon, at 8:56 a.m., the Secretary's Staff Meeting was concluded.)

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